

REMARKS

We appreciate the indication that claims 14-21, 26-34, 43-44 and 47-48 would be allowed. See the Office Action, page 8, paragraph 17. The application is understood to be in condition for allowance.

Claims 22-25, 35-42, 45 and 46 are canceled without prejudice. We expressly reserve the right to file one or more continuing application targeting the canceled subject matter. We also expressly traverse the rejection of these claims as set forth in the Office Action.

Claims 44 and 48 are amended without prejudice by inserting the terms "non-transitory".

Dependent claim 18 is amended without prejudice by changing "and" to --or--.

Claim 26 is also amended without prejudice by rewording "digitally watermarked object" to an --object including a digital watermark--.

The Examiner is invited to contact the undersigned with any questions.

Date: August 3, 2011

CUSTOMER NUMBER 23735

Respectfully submitted,

DIGIMARC CORPORATION

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